The Journal of Political Economy

EDITED BY ROBERT A. MUNDELL IN CO-OPERATION WITH OTHER MEMBERS OF THE DEPARTMENT OF ECONOMICS AND THE GRADUATE SCHOOL OF BUSINESS OF THE UNIVERSITY OF CHICAGO

Volume 76

January/February–November/December, 1968.

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS

© 1968 BY THE UNIVERSITY OF CHICAGO. ALL RIGHTS RESERVED.
PUBLISHED JANUARY/FEBRUARY,
MARCH/APRIL, MAY/JUNE, JULY/AUGUST, SEPTEMBER/OCTOBER,
NOVEMBER/DECEMBER, 1968

PRINTED BY THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS, U.S.A.

Index to Volume 76

Articles and Notes

Andersen, Leonall C. Federal Reserve Defensive Operations and Short-Run Control of the Money Stock 275

Bailey, Martin J. Comment on papers by Tobin and Marty 874

Balassa, Bela, and Schydlowsky, Daniel M. Effective Tariffs, Domestic Cost of Foreign Exchange, and the Equilibrium Exchange Rate 348

Becker, Gary S. Crime and Punishment: An Economic Approach . . . 169

Bell, Geoffrey L. Comment on papers by Brownlee and Maisel 818

Besen, Stanley M. Education and Productivity in U.S. Manufacturing: Some Cross-Section Evidence 494

Bierwag, G. O., and Grove, M. A. Slutsky Equations for Assets 114

Bonomo, Vittorio. See *Tanner, J. Ernest.*

Bouniatian, Mentor. Miscellany 651

Brechling, Frank. The Trade-off between Inflation and Unemployment . 712

Brownlee, Oswald. The Effects of Monetary and Credit Policies on the Structure of the Economy 786

Brunner, Karl. Comment on paper by Hester and Pierce 777

Brunner, Karl, and Meltzer, Allan H. Comment on the Long-Run and Short-Run Demand for Money 1234

Brunner, Karl, and Meltzer, Allan H. Liquidity Traps for Money, Bank Credit, and Interest Rates 1

Castro, Barry. The Scientific Opportunities Foregone because of More Readily Available Federal Support for Research in Experimental than Theoretical Physics 601

Caves, Richard E. Comment on papers by Niehans and Jones 946

Cheung, Steven N. S. Private Property Rights and Sharecropping . . 1107

Chow, Gregory C. Long-Run and Short-Run Demand for Money: Reply and Further Note 1240

Christ, Carl F. A Simple Macroeconomic Model with a Government Budget Restraint 53

Clower, Robert W. Comment on papers by Tobin and Marty 876

Daly, Herman E. On Economics as a Life Science 392

Day, Richard H., and Tinney, E. Herbert. How to Co-operate in Business without Really Trying: A Learning Model of Decentralized Decision Making 583

Demsetz, Harold. Do Competition and Monopolistic Competition Differ? 146
DeSalvo, Joseph S. See *Lave, Lester B.*
Dixon, D. A. A Comment on Professor Kaldor's Comparision of an Expenditure and an Income Tax 1085
Ekelund, R. B., Jr. Jules Dupuit and the Early Theory of Marginal Cost Pricing 462
Fand, David I. Comment on papers by Brownlee and Maisel 821
Floyd, John E., and Hynes, Allan. Economic Growth, Price Trends, and the U.S. Balance of Trade: 1925–62. 1209
Friedlaender, Ann F., and Vandendorpe, Adolf L. Excise Taxes and the Gains from Trade. 1058
Gibson, William E., and Kaufman, George G. The Sensitivity of Interest Rates to Changes in Money and Income 472
Gifford, J. K. Miscellany 1091
Gold, Ronald B. Interregional Factor Transfers and Regional Unemployment 246
Gordon, Scott. The Close of the Galbraithian System 635
Gordon, Scott. Why Does Marxian Exploitation Theory Require a Labor Theory of Value? 137
Grabowski, Henry G. The Determinants of Industrial Research and Development: A Study of the Chemical, Drug, and Petroleum Industries. . . 292
Grove, M. A. See *Bierwag, G. O.*
Guisinger, Stephen E. See *Lewis, Stephen R., Jr.*
Guttentag, Jack M., and Lindsay, Robert. The Uniqueness of Commercial Banks 991
Haitani, Kanji. Factor Substitutability and Comparative Advantage . . 252
Heller, H. Robert. The Transactions Demand for International Means of Payments. 141
Hester, Donald, and Pierce, James. Cross-Section Analysis and Bank Dynamics 755
Hynes, Allan. See *Floyd, John E.*
Johnson, Harry G. Alternative Maximization Policies for Developing-Country Exports of Primary Products 489
Johnson, Harry G. Problems of Efficiency in Monetary Management . . . 971
Jones, Ronald W. Monetary and Fiscal Policy for an Economy with Fixed Exchange Rates 921
Jorgenson, Dale W., and Siebert, Calvin D. Optimal Capital Accumulation and Corporate Investment Behavior 1123
Kaldor, Nicholas. Reply to "A Comment on Professor Kaldor's Comparison of an Expenditure and an Income Tax" 1087
Kamerschen, David R. An Empirical Test of Oligopoly Theories 615
Kaufman, George G. See *Gibson, William E.*
Kiker, B. F. Marshall on Human Capital: Comment 1088
Kilpatrick, Robert W. Stigler on the Relationship between Industry Profit Rates and Market Concentration 479
Krainer, Robert E. The Time Profile of Capital Accumulation in the Automobile Industry 1049
Landes, William M. The Economics of Fair Employment Laws 507

Lave, Lester B., and DeSalvo, Joseph S. Congestion, Tolls, and the Economic Capacity of a Waterway 375
Leijonhufvud, Axel. Comment on papers by Phelps and Brechling . . . 738
Lewis, Stephen R., Jr., and Guisinger, Stephen E. Measuring Protection in a Developing Country: The Case of Pakistan 1170
Lindsay, Robert. See *Guttentag, Jack M.*
McGuire, Timothy W., and Rapping, Leonard A. The Role of Market Variables and Key Bargains in the Manufacturing Wage Determination Process 1015
Maisel, Sherman J. The Effects of Monetary Policy on Expenditures in Specific Sectors of the Economy 796
Martin, David A. Bimetallism in the United States before 1850 428
Marty, Alvin L. The Optimal Rate of Growth of Money 860
Massell, Benton F. and Parish, Ross M. Empty Bottles 1224
Mieselman, David. Comment on papers by Phelps and Brechling. . . . 743
Meltzer, Allan H. Introduction to *Issues in Monetary Research, 1967* . . 661
Meltzer, Allan H. See *Brunner, Karl.*
Morgan, James, and Sirageldin, Ismail. A Note on the Quality Dimension in Education 1069
Mossin, Jan. Aspects of Rational Insurance Purchasing 553
Neisser, Hans. Competitive Equilibrium: Existence and Approach . . 1199
Niehans, Jürg. Monetary and Fiscal Policies in Open Economies under Fixed Exchange Rates: An Optimizing Approach 893
North, Douglass C. Sources of Productivity Change in Ocean Shipping, 1600–1850 953
North, Gary. Miscellany 321
Ochs, Jack. The Transaction Demand for Money and Choices Involving Risk 289
Palomba, Neil A. Unemployment Compensation Program: Stabilizing or Destabilizing 91
Parish, Ross M. See *Massel, Benton F.*
Pate, James L. See *Wilson, George W.*
Pattanaik, Prasanta K. Risk, Impersonality, and the Social Welfare Function 1152
Pesek, Boris P. Comment on papers by Tobin and Marty 885
Phelps, Edmund S. Comment on papers by Tobin and Marty 881
Phelps, Edmund S. Money-Wage Dynamics and Labor-Market Equilibrium 678
Pickersgill, Joyce E. Hyperinflation and Monetary Reform in the Soviet Union, 1921–26. 1037
Pierce, James. See *Hester, Donald.*
Rader, Trout. Normally, Factor Inputs are Never Gross Substitutes . . 38
Ramaswami, V. K., and Srinivasan, T. N. Optimal Subsidies and Taxes When Some Factors Are Traded 569
Rapping, Leonard A. See *McGuire, Timothy W.*
Reuber, Grant L. Comment on papers by Phelps and Brechling 750
Richter, Frederick K. Miscellany 319
Robbins, Lord. The International Monetary Problem 664
Roberts, Paul Craig. Drewnowski's Economic Theory of Socialism . . 645
Rosenberg, Nathan. Adam Smith, Consumer Tastes, and Economic Growth 361

Rottenberg, Simon. The Clandestine Distribution of Heroin, Its Discovery and Suppression 78
Sahota, Gian S. An Economic Analysis of Internal Migration in Brazil . 218
Schultz, Theodore W. Resources for Higher Education: An Economist's View 327
Schydlowsky, Daniel M. See *Balassa, Bela.*
Siebert, Calvin D. See *Jorgenson, Dale W.*
Sirageldin, Ismail. See *Morgan, James.*
Smith, Vernon L. Optimal Insurance Coverage 68
Sonnenschein, Hugo. The Dual of Duopoly Is Complementary Monopoly: or, Two of Cournot's Theories Are One 316
Srinivasan, T. N. See *Ramaswami, V. K.*
Stigler, George J. Price and Non-Price Competition 149
Tanner, J. Ernest, and Bonomo, Vittorio. Gold, Capital Flows, and Long Swings in American Business Activity 44
Tanzi, Vito. Comparing International Tax "Burdens": A Suggested Method 1078
Telser, Lester G. Monopolistic Competition: Any Impact Yet? 312
Temin, Peter. The Economic Consequences of the Bank War 257
Tinney, E. Herbert. See *Day, Richard H.*
Tobin, James. Notes on Optimal Monetary Growth 833
Travis, William P. The Effective Rate of Protection and the Question of Labor Protection in the United States 443
Turvey, Ralph. Peak-Load Pricing 101
Vandendorpe, Adolf L. See *Friedlaender, Ann F.*
Walker, Charls E. Comment on papers by Brownlee and Maisel . . . 815
Wallich, Henry C. Comment on papers by Brownlee and Maisel . . . 830
Wallich, Henry C. Comment on papers by Niehans and Jones 951
Waud, Roger N. Man-Hour Behavior in U.S. Manufacturing: A Neo-classical Interpretation 407
Weinstein, Arnold A. Transitivity of Preference: A Comparison among Age Groups 307
Wilson, George W., and Pate, James L. Ricardo's 93 Per Cent Labor Theory of Value: A Final Comment 128
Wonnacott, Paul. Comment on papers by Niehans and Jones 944

Reviews

Currie, Lauchlin. *Accelerating Development.* By MILTON C. TAYLOR . . . 500
Kuznets, Simon. *Modern Economic Growth: Rate, Structure, and Spread.* By GEORGE G. S. MURPHY 502
Leontief, Wassily. *Input-Output Economics.* By CARL F. CHRIST . . . 1247
Malkiel, Burton Gordon. *The Term Structure of Interest Rates: Expectations and Behavior Patterns.* By RICHARD SUTCH 499
Patterson, Gardner. *Discrimination in International Trade—the Policy Issues: 1945–1965.* By GERARD CURZON 504
Pincus, John. *Trade, Aid and Development: The Rich and Poor Nations.* By M. JUNE FLANDERS 1244

Shubik, Martin (ed.). *Essays in Mathematical Economics in Honor of Oskar Morgenstern.* By JOHN P. GOULD 658
Stolper, Wolfgang F. *Planning without Facts—Lessons in Resource Allocation from Nigeria's Development.* By RATTAN J. BHATIA 1246

Puzzles and Problems 498

Short Notices 155, 1096

Books Received 161, 324, 1101, 1250

1